

DEPARTMENT OF CHILDREN AND FAMILIES  
DIVISION OF FAMILY AND ECONOMIC SECURITY  
ADMINISTRATOR'S MEMO SERIES

☐ ACTION                      **12-11**  
☒ NOTICE

ISSUE DATE: 11/09/2012  
DISPOSAL DATE: 12/31/2013

\*PROGRAM CATEGORIES:  
☐ CS ☒ W-2 ☐ RA ☐ TJ  
☐ CSBG

**To:** W-2 Contractor Directors

**From:** Kristiane Randal  
Division Administrator

**RE:** 2013 Wisconsin Works (W-2) Worker's Compensation Options

**PURPOSE:**

This memo announces the availability of statewide Worker's Compensation (WC) Insurance coverage for Wisconsin Works (W-2) Contractors to cover W-2 work experience participants and individuals repaying a Job Access Loan (JAL) through community service. The Department estimates the rates for Calendar Year 2013 (CY2013) will be \$24 per participant per calendar quarter.

**BACKGROUND:**

All W-2 Contractors are required to provide WC coverage for their participants engaged in a work experience unless the work site sponsor agrees to provide coverage.

- Specifically for W-2 Contractors, 49.147(4)(c), Wis. Statutes states that "A participant under this subsection is an employee of the Wisconsin works agency for purposes of worker's compensation coverage, except to the extent that the person for whom the participant is performing work provides worker's compensation coverage."

Originally the Department of Children and Families (DCF), Division of Family and Economic Security (DFES) indicated it would no longer offer a statewide program that covers WC liability for W-2 participants. However, after additional research the Division has determined that it will continue to offer WC coverage to W-2 Contractors to cover participants who are in a Community Service Job (CSJ) or W-2 Transitional (W-2T) Placements and are injured during an assigned work experience.

## **WORKER'S COMPENSATION COVERAGE**

Sentry Insurance is currently under contract with the State to provide claim services for the W-2 Contractors, and for the FoodShare Employment and Training Agencies under contract with DHS, who opt to be covered by the State's Self-Insured WC Program. Sentry Insurance also provides coverage for liabilities in excess of the State's Self-Insured amount of \$350,000 per occurrence. This coverage applies only to W-2 and FSET participants engaged in a work experience and individuals who are repaying and JAL through community service.

Each participating contractor will be charged a flat rate per participant per calendar quarter for claims administration and costs. DCF estimates the rate for 2013 to be \$24 per participant per quarter. DCF bases this estimated rate on several factors including the insurance premium that Sentry charges DCF, the WC fund reserve, the loss reserve for current claims, and DCF's administrative costs related to processing the premiums. This estimated rate of \$24 per participant per quarter may be revised prior to the start of the calendar year if there are significant changes in the insurance administration rates or other cost components.

The premiums are charged on a quarterly basis and are based on the average number of participants enrolled in work experience for each of the three months within each calendar quarter per the Client Assistance for Reemployment and Economic Support (CARES) System. Each participating agency will be charged a premium per participant, using a three month average, per calendar quarter. The premium will be deducted from the W-2 payment on a quarterly basis.

## **ACTION SUMMARY STATEMENT:**

All W-2 Contractors have the option to choose to obtain WC coverage for their W-2 participants for the 2013 - 2016 W-2 and Related Programs Contracts by completing and returning the 2013 DCF/DFES Worker's Compensation Coverage Application (Attachment A). The coverage will remain in effect through December 31, 2013 unless the Department receives a written request to change that selection and proof that the Contractor has coverage. If a W-2 Contractor chooses to decline coverage it must complete the 2013 DCF/DFES Worker's Compensation Form (Declines Coverage) (Attachment B) and submit the form along with a copy of the policy to demonstrate it has coverage. Forms are due back to Shirley Hao by December 14, 2012.

## **FOODSHARE EMPLOYMENT AND TRAINING (FSET):**

The Department of Health administers the FSET program. FSET Agencies interested in securing WC coverage through the State Policy should return the appropriate form to the following contact.

**CONTACT:** Shirley Hao, Bureau of Finance, (608) 266-2808, [Shirley.hao@wisconsin.gov](mailto:Shirley.hao@wisconsin.gov)

Attachments: Attachment A: DCF/DFES Worker's Compensation Coverage Application ([DCF-F-2898-E](#))  
Attachment B: 2013 DCF/DFES Worker's Compensation Form (Declines Coverage) ([DCF-F-2899-E](#))